important to our States and very important to a lot of nonprofit organizations, including faith-based organizations that now use it to do good works. We have also here—and I mention that this is constitutionally appropriate—but we have responded here in this proposal to the evidence presented by your Faith-Based Office, John DiIulio, last summer, I believe, and the study that showed that there was some sense of not fairplay totally toward faith-based groups as they applied for Government funding.

And this says that if you qualify otherwise, you can't be discriminated against in applying for a grant to do social service work if you have a cross on the wall or a mezuzah on the door or if you praise God in your mission statement. And that's the way it ought to be. So this is a real step forward.

I remember when we stood together last year over in Anacostia on the day you announced your desire to have this Faith-Based Initiative, I was proud to support you. And I said then, because we were talking in general terms, that the devil—if I may use that term advisedly—[laughter]—would be in the details. The details along the way, Congress being what it is, turned out to be quite devilish. But in the end here today, I think we've put the good Lord right into the details.

President Bush. Yes, thank you.

Senator Lieberman. And I'm proud to be part of it. I thank you.

President Bush. Thank you, sir. Thank you all. See you a little later on.

NOTE: The President spoke at 2:05 p.m. in the Oval Office at the White House. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks Following Discussions With Prime Minister Ariel Sharon of Israel and an Exchange With Reporters

February 7, 2002

President Bush. I'm going to make a statement; the Prime Minister will make a statement. We both have agreed we'll answer two questions from both sides. I'll call on somebody; the Prime Minister's press aide will call on somebody; and that's the way we're going to do it.

So it's my honor to welcome a good friend, the Prime Minister of Israel, back to the Oval Office. Mr. Prime Minister, I'm so glad you're here. Welcome back.

We just had an extensive discussion, first about our mutual desire to rid the world of terror. I assured him that our Nation is just beginning in a great objective, which is to eliminate those terrorist organizations of global reach. And by doing so, I firmly believe that the world will be a more peaceful place. My most important objective is to protect our homeland. The best way to do so is to rout terrorist organizations where they try to hide and bring them to justice.

Secondly, I assured the Prime Minister that we will continue to keep pressure on Mr. Arafat to convince him that he must take serious, concrete, real steps to reduce terrorist activity in the Middle East.

We had an interesting discussion about how we can help the Palestinian—those who aren't involved with terror. I'm deeply concerned about the plight of the average Palestinian, the moms and dads who are trying to raise their children, to educate their children. My government is—I've got \$300 million in the budget to go through NGOs to help Palestinians be able to realize a better life.

And finally, we had a good discussion about how best to work together to get the Mitchell process started, to get into Tenet and then in Mitchell. In other words, that we had wide-ranging discussions not only about international terror but security, about economic development for the Palestinians, as well as for the desire to achieve—to get into Mitchell so that there can be some long-lasting peace in the region.

And so, Mr. Prime Minister, I appreciate the candid discussion. I appreciate your friendship, and I want to welcome you back.

Prime Minister Sharon. Thank you, Mr. President. I was very glad to be again at the White House. We had discussions about strategic issues in the region. We talked about the need to fight terror and not to get into compromise with terror—one cannot get into compromise with terror. At the same time, we discussed steps that should be taken in order to improve the life conditions of those Palestinians that are not involved in terror.

That's my intention. It was always my intention. And of course, we'll try and see what can be done.

And altogether, I think that we can look forward with optimism, though it's not going to be a short struggle against terror. It's a long struggle. But I'm sure that we will win, as I have a real admiration, Mr. President, for the steps that you have been taking against terror in order to defend our values.

Q. Mr. President——

President Bush. Hold on a second. And I'm going to do the calling on who gets the question. He's not through yet.

Are you through?

Prime Minister Sharon. Is there any questions?

President Bush. Yes, there's going to be. [Laughter]

Barry Schweid [Associated Press]. [Laughter] I'm the control guy. [Laughter]

Q. I'm new at this.

President Bush. Welcome. [Laughter] You don't look that new to me, Barry. But anyway, please.

Q. I did your dad.

President Bush. That's right.

Situation in the Middle East

Q. At this point, sir, is there a point for the U.S. to talk to Mr. Arafat? Is there a point for Israel to talk to Arafat?

President Bush. Well, Mr. Arafat has heard from us. I can't be any more clear in my position, and that is that he must do everything in his power to fight terror.

Obviously, we were at first surprised and then extremely disappointed when the *Karine A* showed up loaded with weapons, weapons that could have only been intended for one thing, which was to terrorize. And I made our Government's position about as clear as I could. I couldn't say it any more plainly, and I haven't changed my position.

And as to what the Prime Minister's position is, he can answer that.

Prime Minister Sharon. I personally, myself and my government, regard Arafat as an obstacle to peace. Arafat has chosen a strategy of terror and formed a coalition of terror. Therefore, we believe that pressure should be put on Arafat in order, maybe, I hope,

to have an authoritative leadership in the future.

Q. Mr. President, the Israeli Defense Minister said today that Ms. Condoleezza Rice and also your Vice President Cheney said that they don't trust Arafat, they don't believe any words coming out of his mouth, and there's no point keeping talking to him. Do you think, as those officials, that there is a point to keep talking to him, to be in contact with him? Or do you think it is time to change the phase in the pressure on Arafat?

President Bush. Mr. Arafat has heard my message. I can't be any more clear about it, that he must do everything in his power to reduce terrorist attacks on Israel. And that—at one point in time he was indicating to us that he was going to do so, and then all of a sudden a ship loaded with explosives show up that most of the world believes he was involved with.

And I think it's very important that people realize that this great Nation wants us to get into Mitchell as quickly as possible, but we fully understand that it's difficult to have peace during terrorist times, and that our campaign against global terror should help the region.

And I am absolutely committed to fighting terror wherever terror exists. And I would hope other leaders do so. And Mr. Arafat has a chance to do so, and my hope is, is that he responds in a positive way.

At the same time, I am deeply concerned about the plight of the average Palestinian. I worry about stories and pictures I see of people going hungry and children not being educated and deep concerns etched on the faces of moms and dads who happen to be Palestinian. And my government—we've discussed this openly with the Prime Minister, and as I said, we budgeted money to go through nongovernmental organizations to help. And I think the world understands that there's a lot of folks over there who suffer because of the terrorist activities of a few.

Vice President's Upcoming Visit to the Middle East

Q. Mr. President, did Iran and Iraq figure in your conversations today with the Prime Minister? And why are you sending Vice President Cheney to the region next month,

and particularly the four countries that directly border on Iraq?

President Bush. I'm sending the Vice President because, one, he is a key player in our administration, and I want to get feedback from the world, from the world leaders. I want them to see firsthand, as well, our strong intent to fight terror.

There's nothing like looking somebody in the eye and letting them know that when we say we're going to fight terror, we mean it. And there's nothing like people getting a sense of the determination of this Government. There's a lot of folks who might have predicted that over time we would grow weary, and we'd get tired, and we'd kind of get faint of heart. The Vice President can deliver the message to many important world leaders that our Government is absolutely committed to fighting terror, and we expect people to join us in doing so.

As I said, either you're with or you're against us. And we fully understand that in order to be effective in our fight against terror, that we need others to join us. And so the Vice President, I think, is going to be very effective at convincing—at convincing our friends we mean business. And we would hope that they would do everything in their power to shut off money, to deny haven, and to join this grand coalition dedicated to one thing, freedom and peace.

As to whether or not we discussed other countries in the region: You bet. We discussed a lot of countries in the region, and we've had a very frank and open discussion.

Palestinian State

Q. President Bush, the Government of Israel decided not to let Chairman Arafat move—[inaudible]. Do you think this decision serves the goal of stability in the Middle East?

And one question for you, Prime Minister Sharon. You said a couple of months ago that you want to give the Palestinians a Palestinian state, for the first time. Do you still support the same——

President Bush. Do you want to go first? **Prime Minister Sharon.** Yes. I believe that the end of the process first should be the perfect right to be a full cessation of terror and violence and incitement. And then

several steps will be taken by the Palestinians, like arresting—serious arrest of the terrorists, dismantling terrorist organizations and their infrastructure, collecting their weapons that should be handed to American representatives and destroyed out of the area. Once they would take serious preventive steps and stop completely incitement, then we'll start negotiations.

I believe that one day we'll be reaching a peace. Israel is committed to peace. And at the end of the process, I believe that the Palestinian state, of course, will be—we'll see a Palestinian state, but only at the end. And the final steps that should be taken in order to start negotiations—they cannot be done under terror. We are—my role and my government's role is to defend our citizens against acts of terror.

President Bush. We, too, of course, support a Palestinian state, one that's been negotiated by the parties, one that recognizes that Israel has got a right to exist. And Israel will be supportive of their right to self-govern. I think that's an ultimate aim that we all have got to work hard to get to. The problem is, there are some that don't want to get there and, therefore, terrorize.

My position on Mr. Arafat is clear as of today. I can't be any more clear about what I think he ought to do. And I'm confident if he were to make these strong steps toward reducing terror, it would help the world—it would help tell the world that he is fully dedicated toward achieving the objectives that we both described.

And it's going to be hard to have a peace process if—so long as there's terrorist activity. But we believe strongly that Chairman Arafat needs to put a 100 percent effort to achieve a peaceful—some peace, so that we can then get to a political process. And that's very important for us.

Listen, thank you all for coming.

Note: The President spoke at 6:25 p.m. in the Oval Office at the White House. In his remarks, he referred to Chairman Yasser Arafat of the Palestinian Authority. The President also referred to the Mitchell report, the Report of the Sharm el-Sheikh Fact-Finding Committee, issued April 30, 2001, and the Tenet plan, the Israeli-Palestinian ceasefire and security plan of June 13, 2001, negotiated by Director of Central Intelligence George

J. Tenet. A reporter referred to Minister of Defense Binyamin Ben Eliezer of Israel. A tape was not available for verification of the content of these remarks.

Remarks to the Cattle Industry Annual Convention and Trade Show in Denver, Colorado

February 8, 2002

Thank you all very much. It's great to be here. Thank you very much. Well, thank you very much. I'm really honored to be here. I really appreciate my new hat. [Laughter] I'm looking forward to wearing it in Crawford. I don't get to spend enough time there, but when I do, I really enjoy being around the cows. [Laughter] I find it such a relaxing place, a place to stay in touch with what's important in life. And Laura and I love what we do. We love our new address. [Laughter] But I can assure you, when it's all over, we're going back to the ranch.

I want to thank my friend Lynn, for inviting me here. And thank you all for such a warm greeting and giving us a chance to come. I'm here to share with you some thoughts about our Nation, how to improve our economy and the strength of our character.

You know, I gave a State of the Union the other day, and I reminded the Nation we're at war. We've got tough economic times. We're in a recession, but our Nation has never been stronger. And someone who has shown incredible strength and calm during a time of national crisis has been my wife, Laura. A lot of it has to do with the fact that she had a great mom and a wonderful dad. I think a lot of it has to do with the fact that she was born and raised in the West. People around the country are now figuring out why I married her. A lot of them are trying to figure out why she married me. [Laughter]

I appreciate so very much traveling today with our Secretary of Agriculture, Ann Veneman. Ann's doing a really good job for the country. You know, one of the things that concerned me a lot is to make sure that hoof and mouth never made it into our land. I talked to Ann a lot about it. I said, "Whatever

you do, you make sure we stop it." And she did, along with a lot of other good folks who work for the Agriculture Department. I'm proud of her efforts. I'm proud of her genuine concern about the farmers and ranchers of the country, and I appreciate her strong leadership.

I'm proud to be traveling with Members of the United States Congress who understand the importance of agriculture in the life of our country. One such man is a guy from west Texas. In 1978, I ran for the very seat he holds. I lost. He won. [Laughter] He's the chairman of the House Agriculture Committee, a really good friend and a good man out of Lubbock, Texas, Larry Combest.

And we brought some other Members along: from the great State of Kansas, Senator Pat Roberts; Craig Thomas of Wyoming. I'm spending the night in his State tonight, in Jackson Hole. They tell me it's quite a spectacular place to look at. He said, "Don't worry, Mr. President. The high is going to be about 9." [Laughter] But I'm really looking forward to it. [Laughter]

I appreciate so very much, as well, fine Senators from the State of Colorado, Wayne Allard—I hope Wayne comes back up there; he's needed in Washington, DC—and Ben Nighthorse Campbell.

I've spent a lot of time with this other Senator, roaming around Iowa. It seemed like everywhere he went, he said, "You know, old Joe owns this 160 acres, and he farms soybeans." And then we'd go down the road a little bit, and he'd say, "That's where Harry lives; he farms corn." This guy knows more about agriculture in the State of Iowa and more about Iowa than it could possibly be imagined. He's a fine, fine leader. He's the head of the Finance Committee at one time—I'd like to get him back to be the head of the Finance Committee—and that's Chuck Grassley.

This State has got an excellent Governor. I'm proud to call Bill Owens friend. He knows what he's doing. I think the people of Colorado appreciate his leadership—Governor Bill Owens. We've got another Member from the United States Congress with us from the State of Colorado, Tom Tancredo. Thank you for coming, Tom.